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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/604,752	08/14/2003	Michael G. Siefe	205402042003	1751
26496	7590	08/10/2006	EXAMINER	
GREENBERG & LIEBERMAN, LLC 2141 WISCONSIN AVE, N.W. SUITE C-2 WASHINGTON, DC 20007			GOTTSCALK, MARTIN A	
			ART UNIT	PAPER NUMBER
			3626	

DATE MAILED: 08/10/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

**Office Action Summary**

Application No.

10/604,752

Applicant(s)

SIEFE

Examiner

Martin A. Gottschalk

Art Unit

3626

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 20 April 2006.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-17 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-17 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)  
Paper No(s)/Mail Date \_\_\_\_\_.
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_\_.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: \_\_\_\_\_.

**DETAILED ACTION**

***Notice to Applicant***

1. This communication is in response to the response filed 11/15/2005. The supplementary responses of 02/22/2006 and 04/20/2006 were corrections to informalities and did not substantially alter the claims or the issues raised in the first response. Claims 1-17 have been examined. Claims 1, 10, 16, and 17 are amended.

***Claim Rejections - 35 USC § 112***

2. The rejection under 35 USC section 112 is hereby withdrawn due to amendment.

***Claim Rejections - 35 USC § 102***

3. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

4. Claim 10 is rejected under 35 U.S.C. 102(b) as being anticipated by Burgess (US Pat# 5,966,693, hereinafter Burgess).

A. As per claim 10, Burgess discloses an insurance method, comprising:

reviewing an owner or insured's insurance policy holdings (Burgess: col 4, Ins 21-25. The Examiner considers making "...the selection of an optimized collection of related terms of a combined insurance, loan and employment arrangement...", to include a review of the insured's holdings.);

reapportioning said owner or insured's insurance policy holdings (Burgess: col 4, Ins 21-25. The Examiner considers "...the transfer of value from an employer to an employee," to be a form of reapportioning the insured's holdings.) per AHL factors with a data processing apparatus (Burgess: col 5, Ins 23-44);

providing said owner or insured a contract so that if said owner or insured pays a newly calculated lower or non-existent premium (Burgess: col 4, Ins 58-60, reads on "...premiums decrease..." ) if the insured has deteriorated health (Burgess: col 6, Ins 11-17, reads on "smoker"), then said owner or insured's contract will remain in force (Burgess: col 4, Ins 45-47).

### ***Claim Rejections - 35 USC § 103***

5. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

6. The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

7. Claims 1-16 are rejected under 35 U.S.C. 103(a) as being unpatentable over Burgess in view of Kendall et al (PG Pub# 2003/0191672).

A. As per claim 1, Burgess discloses an insurance method comprising:

receiving benefits from an owner or insured's existing insurance policy (Burgess: col 1, lns 32-39. The Examiner considers the employer being named as beneficiary of the employee's policy to be a form of receiving benefit's from an owner or insured's existing policy);

charging an owner or insured a premium for a new insurance policy (Burgess: col 2, lns 55-59; col 5, lns 11-14).

calculating said premium based on AHL factors with a data processing apparatus (Burgess: Figure 3, item 126, reads on "PREMIUM = f(...., AGE, ....)"; col 5, lns 23-44);

and

transferring at least a portion of said benefits from said owner or insured's existing insurance policy to an entity (Burgess: col 4, lns 56-58, reads on "...employee agrees to collaterally assign...).

Burgess fails to disclose the feature wherein the transfer is done irrevocably, but this feature is well known in the insurance art as evidenced by Kendall (Kendall: [0095]).

It would have been obvious at the time of the invention to one of ordinary skill in the art to incorporate the teachings of Burgess with the method of Kendall with the motivation of providing a way of appraising the total value of a proposed insurance product (Kendall: [0014]).

Note: claims 2-9 and 11-15 are unamended and are thus rejected for the same reasons as provided in the previous Office Action. They are reproduced below for the convenience of the reader.

B. As per claims 2 and 11 Burgess discloses a method, further comprising

Art Unit: 3626

calculating said premium based on QC factors (Figure 3, item 126, reads on "PREMIUM = f(DEATH BEN.,.....RETURN)"; col 8, lns 8-14).

C. As per claim 3 Burgess discloses a method wherein

said entity is a beneficiary (Burgess: col 1, lns 32-39, reads on "...naming the employer as beneficiary...).

D. As per claim 4, Burgess discloses a method wherein

said entity is a new insurance carrier (Burgess: col 8, lns 26-29, note the "lender" receives a transfer of policy benefits. Note further Burgess: col 11, lns 26-28, which indicates a "financial institution" is making the loan, i.e. is a "lender". The Examiner considers an insurance carrier to be a form of financial institution.)

E. As per claim 5, Burgess discloses a method wherein

said premium is lowered in proportion to the lower said insured's health (Burgess: col 5, 23-44. Note that "health status" is considered a "qualitative factor" input into the processor to determine the premium. It is not specified whether a relatively lower health status results in a higher or lower premium. For the purpose of examination, the Examiner considers the latter to be the case.).

F. As per claim 6, Burgess discloses a method wherein

said new insurance company reduces reserves needed for claims (Burgess: col 5, 23-44. Note that “life expectancy” is considered a “qualitative factor” input into the system of Burgess. Furthermore, as the applicant notes in paragraph [0042] of the “Detailed Description” section of the current application, life expectancy is a factor used by regulators to determine reserve requirements, namely the longer the life expectancy, the lower the reserves required. The Examiner notes that the invention of Burgess is not limited to accepting life expectancies of specific or constrained durations. Thus to the extent the invention of Burgess accepts persons with longer life expectancies, or produces policies reflecting same, to that extent also would the payer responsible for the policies—such as an insurance company--have their reserve requirements reduced by regulators.).

G. As per claim 7, Burgess discloses a method wherein

said new insurance company does not require reinsurance (The Examiner notes that nowhere in the invention of Burgess is it indicated that reinsurance is required for a lender or any other party. Furthermore the Examiner notes that the purpose of reinsurance is to share or mitigate undue risk, and that an expressed goal of the Burgess invention itself is to protect against undue risk to the parties



Art Unit: 3626

involved, which suggests a reduced need for reinsurance, see Burgess: col 3, Ins 46-52).

H. As per claim 8, Burgess discloses a method wherein

said owner or insured is guaranteed a certain level of income (Burgess: col 6, Ins 3-10. The Examiner notes that the recited process of "...adjusting...contributions such that loans on the insurance policy by the employee are in part used for retirement income to the employee...", would provide a guaranteed level of income, given the proper adjustment.).

I. As per claim 9, Burgess discloses a method wherein

said owner or insured is not taxed on distributions from said new insurance policy (Burgess: col 5, ln 64 to col 6, ln 2).

J. As per claims 14 and 15 Burgess discloses a method wherein

a death benefit is reduced (Burgess: Table II, note that from ages 64 and beyond, the death benefit is reduced).

Art Unit: 3626

K. As per claim 12, Burgess discloses a method wherein

said reviewing occurs when no great life change has occurred (The Examiner notes that the method of Burgess requires no great life change to occur in order to review the insured's policy holdings.).

L As per claim 13, it is rejected for the same reasons provided for the "reapportioning" step of claim 10.

M. As per claim 16, Burgess discloses a method further comprising

sharing the benefits of said owner or insured's insurance policy (Burgess: col 5, ln 58 to col 6, ln 2. Note that the death benefit is shared between the beneficiaries and the lender.) in return for providing said owner or insured said guarantee (Burgess: col 6, lns 3-10. The Examiner notes that the recited process of "...adjusting...contributions such that loans on the insurance policy by the employee are in part used for retirement income to the employee...", would provide a guaranteed level of income, given the proper adjustment.). See the related rejection above regarding 35 USC section 112, paragraph 2.

8. Claim 17 is rejected under 35 U.S.C. 103(a) as being unpatentable over Burgess in view of Finrock et al (US Pat# 5,592,379, hereinafter Finrock).

A. As per claim 17, Burgess discloses an insurance method comprising:

reviewing the AHL factors of a person having insurance (Figure 3, item 126, reads on "PREMIUM = f(DEATH BEN.,....RETURN)"; col 8, Ins 8-14; col 11, Ins 39-47),

said reviewing done, with a data processing apparatus (Burgess: col 5, Ins 9-44; Fig 3)

offering a contract to the person having insurance which pays out a benefit to the person having insurance (Burgess: col 6, ln 64 to col 7, ln 6; col 7, Ins 31-33; col 12, Ins 38-43).

Burgess fails to disclose wherein

the benefit is paid out only if only if the person having insurance lives longer than an agreed upon period of time

However, this feature is well known in the art as evidenced by the teachings of Finrock (Finrock: col 2, Ins 19-29; col 3, Ins 15-21. The Examiner notes that since each time a participant dies between payouts, the next payout to remaining

pool participants increases. The Examiner considers such a marginal increase in the payout to be a benefit, and one that is only paid out to remaining participants—i.e. the insured—if they live longer than an agreed upon period of time. This period is the time between when the pool begins, and the time of a payout following the death of another participant. Note further that each individual in the pool is a person having insurance as recited in the claim. Thus the surviving participants are persons having insurance who receive the increased payout.).

It would have been obvious at the time of the invention to one of ordinary skill in the art to combine the teachings of Finrock and the method taught by Burgess with the motivation of providing a senior citizen a predictable income that will increase as the individual ages (Finrock: col 1, lns 52-56).

### ***Response to Arguments***

9. The arguments in the REMARKS section on pages 4-6 of the response filed 11/15/2005 are addressed below.

A. On page 4, the amendment to claim 1 concerning the added term “irrevocable”. This argument is moot in view of the new grounds of rejection, see the rejection of claim 1 above.

B. On pages 4 and 5, Applicant argues the amended features of claim 10 concerning a lowered premium associated with deteriorated health. The Examiner directs Applicant to the augmented reasons provided above in the rejection for amended claim 10.

C. On page 5, Applicant argues the amended features of claim 17. The Examiner directs Applicant to the reasons provided above in the rejection for claim 17.

### ***Conclusion***

10. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

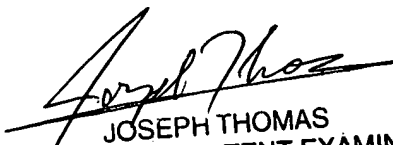
A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the date of this final action.

11. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Martin A. Gottschalk whose telephone number is (571) 272-7030. The examiner can normally be reached on Mon - Thurs 8:30 -6 and alternate Fri 8:30 - 5.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Joseph Thomas can be reached on (571) 272-6776. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

MG  
06/25/2006

  
JOSEPH THOMAS  
SUPERVISORY PATENT EXAMINER